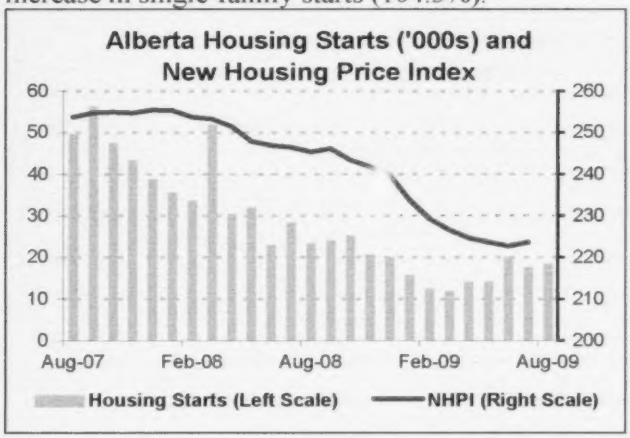
Alberta Housing Market

Single-family segment supports recovery in housing starts…

Housing starts in Alberta rose 4.5% from the previous month to a seasonally adjusted annual rate of 18,400 in August. Compared to a year ago, housing starts were down 21% as the decline in urban multi-family starts (-30.3%) more than offset the increase in single-detached (38.3%).

Actual housing starts in the Calgary region fell 7.7% year-over-year in August as the decline in multiples (-60%) more than offset the increase in single-detached (32.9%). Edmonton housing starts, on the other hand, rose 31.5% driven by a huge increase in single-family starts (104.3%).



New house prices make a modest comeback…

Following nine months of consecutive monthly declines, new house prices in Alberta rose 0.4% in July, with prices in Edmonton and Calgary increasing 0.4% and 0.5%, respectively. Compared to the same month last year, Alberta new house prices were down 9.3%.

Building Permits

Alberta residential building permits increase for the second month in a row…

The value of building permits in Aberta fell 10.9% to $753.5 million in July, an improvement from the monthly decline of 23.7% registered in June. This was due to higher residential building permits (15.7%) which increased for the second month in a row. Meanwhile, Canadian building permits fell 11.4% in July due in large part to a strike by civic workers in Toronto.

Canadian Dollar (US¢/CS)	
September 11, 2009	93.06
September 4, 2009	91.84
2009-10 YTD	87.99
WTI Oil US$/bbl	
September 10, 2009	$71.94
September 3, 2009	$67.96
2009-10 YTD	$63.37
Nymex Natural Gas CS/MMBtu *	
Near-month Contract	
September 11, 2009	$3.58
September 4, 2009	$2.90

* Estimate based on Nymex Futures Market Price

International Merchandise Trade

Exports surge on back of M&E and autos

Canada's merchandise exports stood at $31.7 billion in July, up 3.3% from June. This was primarily due to higher exports of machinery and equipment (11.3%) and automotive parts (10.8%). Despite the increase in exports, Canada recorded a trade deficit of $1.4 billion in July as growth in imports was stronger (8.3%).

Bank of Canada (BoC) Policy Announcement

BoC holds policy rate steady on Thursday…

The BoC maintained its overnight target rate at 0.25% and reaffirmed its conditional commitment to maintain the rate at this level until the 2nd quarter of 2010. While the Bank noted that growth is broadly in line with expectations, it cited the persistent strength of the Canadian dollar as an ongoing risk to its outlook.

Other Developments

Commodity prices, loonie strengthen…

Lower-than-expected U.S. oil and gas inventories and upward revisions to IEA's global crude demand projections led to higher energy prices this week. This, combined with a weak U.S. dollar, lifted the loonie to over 93 US cents.

CURRENT ECONOMIC INDICATORS

September 11, 2009

Overall Economy	2007	2008	2009YTD*	Mar	Apr	May	Jun	Jul	Aug
Real GDP (in 2002 $billions)	187.5	187.0	--	--	--	--	--	--	--
% change	3.1	-0.2	--	--	--	--	--	--	--
Nominal GDP ($ billions)	258.9	291.7	--	--	--	--	--	--	--
% change	8.1	12.6	--	--	--	--	--	--	--
Population[1] (000's) (level)	3,511	3,585	3,654	--	3,654	--	--	--	--
% change	2.6	2.1	2.6	--	2.7	--	--	--	--
Net Interprovincial Migraton[1] (level)	33,809	10,010	18,269	--	7,144	--	--	--	--
Net International Migration[1] (level)	16,136	19,283	13,179	--	4,175	--	--	--	--
Net Non-permanent Residents[1] (level)	13,539	17,890	17,557	--	4,626	--	--	--	--
Labour Market									
Employment (000's)	1,959	2,013	1,992	1,987	1,993	1,994	1,990	1,986	1,979
% change	4.7	2.8	-0.8	-1.0	-0.9	-1.1	-1.6	-1.6	-1.6
Unemployment Rate (%)	3.5	3.6	6.2	5.8	6.0	6.6	6.8	7.2	7.4
Average Hourly Wage Rate	6.0	5.7	5.0	3.6	4.3	5.0	6.1	4.6	5.9
Average Weekly Earnings[2]	5.8	6.0	4.6	4.8	2.1	4.9	4.3	--	--
Labour Income[3]	11.3	8.4	4.0	3.0	--	--	--	--	--
Price Indices									
Consumer Price Index	5.0	3.1	-0.1	0.9	-0.7	-0.7	-1.6	-1.5	-1.5
Excluding food and energy	4.9	1.9	1.5	1.4	1.1	1.7	1.6	1.4	1.4
Non-Res. Const. Cost Index[4] (quarterly)	17.3	13.2	-6.3	-1.0(Q1)	--	--	-11.3(Q2)	--	--
Farm Product Price Index	14.3	11.1	-8.6	-5.0	-6.2	-10.4	-18.6	--	--
Crops	41.4	26.3	-25.7	-23.3	-25.8	-29.5	-33.5	--	--
Livestock	0.7	2.1	8.0	17.1	12.5	0.5	-5.7	--	--
Household Sector									
Housing Starts (SAAR, 000's) NEW!	48.1	29.0	15.6	11.9	14.2	14.2	20.0	17.6	18.4
% change	-2.1	-39.7	-51.7	-77.0	-53.3	-55.6	-12.7	-38.0	-21.0
New Housing Price Index	22.5	0.7	-9.7	-10.5	-10.7	-9.8	-9.8	-9.3	--
Edmonton NEW!	32.1	1.0	-11.7	-12.3	-12.5	-11.7	-11.7	-11.1	--
Calgary	16.2	0.6	-7.7	-8.7	-8.8	-7.9	-8.0	-7.3	--
MLS Average Resale Prices	24.3	-1.4	-7.1	-10.4	-6.8	-5.8	-4.6	-2.4	-2.4
Edmonton	34.3	-2.0	-6.0	-10.1	-7.4	-4.2	-3.8	-3.1	-3.1
Calgary	18.7	-2.9	-9.1	-11.3	-10.1	-8.7	-6.3	-5.2	-5.2
Retail Sales	9.3	-0.1	-10.2	-13.8	-10.1	-11.0	-6.5	--	--
New Motor Vehicle Sales	3.3	-7.3	-27.2	-31.9	-24.4	-27.8	-21.8	--	--
Business Sector									
Public and Private Investment[5]	9.1	3.6	-17.2	--	--	--	--	--	--
Mining and oil and gas[5]	0.3	-1.4	-28.2	--	--	--	--	--	--
Rigs Drilling	-35.2	-2.1	-50.3	-60.8	-42.0	-39.2	-56.3	-66.2	-62.7
Goods Exports (customs based)	5.3	33.2	-39.9	-36.1	-39.8	-46.0	-39.7	-47.1	--
Energy NEW!	4.4	40.9	-46.3	-44.0	-47.2	-51.7	-43.0	-52.3	--
Agriculture	9.8	28.6	-3.1	-3.9	6.9	-17.6	-10.8	-6.0	--
Total Farm Cash Receipts (quarterly)	11.9	15.2	-3.5	2.8(Q1)	--	--	-10.3(Q2)	--	--
Manufacturing Shipments	1.9	6.9	-20.7	-13.9	-24.7	-27.7	-26.7	--	--
Wholesale Trade	5.0	10.9	-9.2	-4.4	-12.2	-20.9	-11.6	--	--
Building Permits	13.4	-16.5	-38.0	-29.9	-40.9	-18.5	-25.2	-32.0	--
Residential NEW!	10.7	-31.5	-43.5	-38.9	-44.2	-49.1	-17.8	-9.0	--
Non-residential	17.1	3.7	-32.8	-20.7	-37.3	13.0	-31.0	-50.6	--

Government of Alberta
Finance and Enterprise

* YTD – year-to-date represents the change since the beginning of the year compared to the same period in the previous year.

[1] Quarterly; annual numbers are presented on a census year basis (July 1 - June 30). The April population estimate is also the 2009 year-to-date value.

[2] The average weekly earnings series was extensively revised on March 31, 2009 and is no longer comparable with numbers in previous Bulletins

[3] Total income earning in Alberta including wages and salaries, and supplementary income.

[4] Average of Calgary and Edmonton.

[5] 2009 total based on revised investment intentions, 2008 preliminary actuals, and 2007 actuals; 2009 mining and oil and gas based on initial investment intentions.

Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association) and Rigs Drilling (Canadian Association of Oilwell Drilling Contractors).

Alberta

CURRENT ECONOMIC INDICATORS, BY PROVINCE

	Canada	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.
Conference Board Forecast (Summer 2009)											
Real GDP Growth											
2008 (actuals, Statistics Canada)	***0.5%***	-0.1%	0.9%	2.0%	-0.0%	1.0%	-0.4%	2.4%	4.4%	**-0.2%**	-0.3%
2009	***-2.1%***	-3.4%	0.8%	0.3%	0.9%	-0.7%	-3.0%	0.8%	-2.7%	**-2.7%**	-2.5%
2010	***2.8%***	0.0%	2.2%	1.2%	2.8%	1.8%	3.1%	1.8%	3.5%	**3.3%**	3.4%
Population (As of April 1, 2009)											
Population	**33,592,686**	508,726	140,638	939,475	748,866	7,799,372	13,014,018	1,217,163	1,027,092	**3,653,840**	4,435,344
Annual Growth Rate[a]	***1.23%***	0.20%	1.19%	0.18%	0.26%	0.89%	1.02%	1.16%	1.49%	**2.71%**	1.70%
Net Interprovincial Migration											
2008 Census Year (July 1, 2007 to June 30, 2008)		1,299	42	-117	-325	-12,399	-16,522	-503	8,067	**10,010**	11,458
1st Quarter (January 1, 2009 to March 31, 2009)		98	-66	-357	61	-2,016	-5,015	-181	545	**7,144**	-16
Employment											
Level Change (000s)[b]	**-311.5**	-4.0	-1.9	-0.6	-1.6	-33.8	-181.6	6.5	1.8	**-32.1**	-64.1
Percent Change[b]	***-1.8%***	-1.7%	-2.5%	-0.1%	-0.4%	-0.9%	-2.7%	1.1%	0.3%	**-1.6%**	-2.7%
Unemployment Rate, 2009 avg (SA)	***8.2***	15.3	12.4	9.1	9.1	8.5	9.0	5.0	4.7	**6.2**	7.4
Participation Rate, 2009 avg (SA)	***67.4***	59.1	67.8	64.6	64.8	65.4	67.4	69.4	70.3	**74.5**	65.9
Average Weekly Earnings											
June 2009	**823.23**	804.81	691.63	726.11	737.45	770.86	843.43	765.26	803.77	**962.77**	798.75
Y/Y Percent Increase[c]	***1.9%***	4.9%	6.7%	2.6%	1.8%	2.7%	0.7%	2.8%	2.6%	**4.3%**	1.4%
2009 Wage Settlements										**4.7%**	
CPI Inflation											
July Annual	**-0.9%**	-0.9%	-1.3%	-1.0%	-0.4%	-0.3%	-1.2%	0.0%	0.9%	**-1.5%**	-1.6%
Excluding Shelter	**-0.6%**	-0.3%	0.7%	-0.3%	-0.3%	-0.3%	-1.1%	-0.4%	0.1%	**-0.2%**	-0.6%
Housing Starts (000s)											
SAAR August 2009 NEW!	**150.4**	2.4	1.0	4.2	3.7	47.2	44.2	5.0	5.1	**18.4**	19.2
Retail Sales											
Percent Change[d]	**-2.7%**	5.7%	-0.1%	2.8%	-1.0%	-0.3%	-2.9%	1.3%	1.1%	**-6.5%**	-6.9%
2009 YTD Retail Sales Growth	**-5.6%**	1.3%	-1.6%	-2.4%	-2.1%	-3.3%	-5.0%	-3.6%	-3.1%	**-10.2%**	-9.2%
Manufacturing Shipments											
Percent Change[d]	**-23.1%**	-42.2%	-18.7%	-20.2%	-33.4%	-16.5%	-26.4%	-9.6%	-9.0%	**-26.7%**	-17.4%

a. Over the past 12 months
b. August 2009 Y/Y change, unadjusted for seasonal effects
c. Updated to June 2009
d. June 2009 Y/Y change, unadjusted for seasonal effects
SA-Seasonally Adjusted, SAAR-Seasonally Adjusted Annual Rate
Source: Statistics Canada, Canada Mortgage and Housing Corporation and Conference Board of Canada